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C O N F I D E N T I A L SECTION 01 OF 02 BAKU 001710

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TAGS: [PREL](#) [PBTS](#) [PGOV](#) [UNGA](#) [EAID](#) [ENRG](#) [AM](#) [UAM](#) [IR](#) [AJ](#)

SUBJECT: AZERBAIJANI FOREIGN MINISTER COMMENTS ON ENERGY,
NAGORNO-KARABAKH, REGIONAL SECURITY ISSUES WITH VISITING
CONGRESSIONAL STAFF DELEGATION

REF: A. BAKU 01681

[1](#)B. BAKU 01582

Classified By: AMBASSADOR ANNE E. DERSE FOR REASONS 1.4 (B,D)

[1](#)1. (C) SUMMARY: During a late October 2006 meeting, Foreign Minister Mammadyarov reiterated that Azerbaijan seeks a step-by-step solution to the Nagorno-Karabakh conflict and wants Armenia to share in the economic integration and prosperity of the south Caucasus. Mammadyarov characterized Russia's current policy toward Georgia as "shock therapy" and said Azerbaijan's own gas negotiations with Russia were continuing. Commenting on his vision for Azerbaijan's future, Mammadyarov said Azerbaijan will be a drastically different country in 2010. The BTC pipeline represents an "overcoming of Azerbaijan's Vietnam syndrome." Mammadyarov also affirmed Azerbaijan's commitment to promoting tolerant Islam and sought high-level USG representation for a planned April 2007 OIC conference on religious tolerance (ref A).
END SUMMARY.

[1](#)2. (C) Azerbaijani Minister of Foreign Affairs Eldar Mammadyarov met with Ambassador Derse, six congressional staffers and five members of a visiting German Marshall Fund delegation in late October. Mammadyarov said that he was not optimistic about the current state of negotiations vis-a-vis Nagorno-Karabakh and said that Azerbaijan was proceeding with a cautious, deliberate approach. Mammadyarov said that a step-by-step approach was what Azerbaijan was looking for, which would start with the withdrawal of Armenian troops, demining, reconstruction and return of Azerbaijan's internally displaced population.

[1](#)3. (C) Mammadyarov said that the South Caucasus should move forward, working together, and that Azerbaijan in both word and deed has shared its economic benefits with Georgia. He said that Azerbaijan also wanted Armenia to be a part of this economic integration, adding that Armenia "should not be less developed than the others." In regard to a plebiscite in NK, Mammadyarov said that Azerbaijani was not opposed to this in principle but that it would be a question of whom would be allowed to vote and at which point the vote would take place. Mammadyarov said that Armenia needed to decide how it wanted to see itself in the future and over the next 30 years, and noted that Armenia has already lost out on a great deal of regional economic integration and energy projects.

¶4. (C) Mammadyarov said that he spoke with the Georgian Foreign Minister approximately once a week by telephone and that Azerbaijani President Ilham Aliyev spoke with Georgian President Mikhail Sakaashvili also about once a week. Mammadyarov said that he had recently told a visiting Russian official that what Russia was doing now with Georgia was "unacceptable" and that this is not how Russia should be dealing with small countries. He compared Russia's response to Georgia as "shock therapy." Mammadyarov also said that he believed that Russia's response was not what the Russian public was demanding, but that it involved something "more personal" from Russia toward Georgia.

¶5. (C) Mammadyarov said that last year Azerbaijan had purchased approximately 4.5 billion cubic meters of gas from Russia. While negotiations are still ongoing, Mammadyarov said Azerbaijan hoped to purchase 1.5-2 billion cubic meters. Mammadyarov also mentioned that Russia would be charge USD 230 per thousand meters to Georgia and Azerbaijan, a price even greater than the one Germany was being charged.

¶6. In regard to Kazakhstan, Mammadyarov said that Kazakhstan wanted to increase its yearly output from 25 million tons to 37 million tons of oil. Kazakhstan was interested in transiting about 500,000 million barrels/day through Azerbaijan and that Azerbaijan had the capacity to have between 1.5-1.76 million barrels per day transit through Azerbaijan. Mammadyarov also said that Kazakhstan has indicated that it wanted to transit about 10 million tons of oil through Azerbaijan via rail. With regard to possible trans-Caspian gas initiatives, Mammadyarov said that

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Azerbaijan previously had a 60 billion cubic meter agreement with Turkmenistan on the table. While the deal had fallen through, Mammadyarov said it could be put back on the table at some point in the future.

RELATIONS WITH IRAN

¶7. (C) Mammadyarov characterized Azerbaijan's relations with Iran as diverse. Azerbaijan is cognizant of the fact it shares a long land border with Iran, and that Azerbaijan proper and Nakhchivan are connected overland via Iran. Furthermore Mammadyarov said that approximately 40 percent of Iranians were ethnic Azeri. On the political side however, Mammadyarov said that Azerbaijani and Iranian views diverged. He noted that many Iranians come to Azerbaijan on the weekends to relax and "feel free".

INTO THE FUTURE

¶8. (C) Touching on a number of topics, Mammadyarov said that Azerbaijan would be a drastically different country in 2010 than it was in 2006. He described the opening of the Baku-Tbilisi-Ceyhan pipeline as the "overcoming of the Vietnam Syndrome" for Azerbaijan. He reminded the group that the Minsk Group "still needed the consent of Azerbaijan" before a settlement could be reached. Finally Mammadyarov said that Azerbaijan was a moderate Muslim state and that as the chair of the Organization for Islamic Conference, wants to promote the face of Moderate Islam. To this end Azerbaijan plans to host an OIC conference on the "Role of the Media" in April 2007. Mammadyarov requested the Ambassador's help in securing a high-profile U.S. person, such as a former President or Secretary of State to make a keynote address at the conference (see reftel).
DERSE